

**FRIENDS OF CARROLLWOOD CULTURAL CENTER, INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

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**Robert DiMarco, CPA, PA**

August 14, 2014

The Board of Directors  
Friends of Carrollwood Cultural Center, Inc.  
Tampa, FL

### **Independent Auditor's Report**

We have audited the accompanying balance sheet of Friends of Carrollwood Cultural Center, Inc., a Florida non-profit corporation, as of December 31, 2013 and December 31, 2012 and the related statements of revenues, expenses and changes in fund balances, and cash flows for the years then ended.

These financial statements are the responsibility of management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of Carrollwood Cultural Center, Inc. as of December 31, 2013 and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**FRIENDS OF CARROLLWOOD CULTURAL CENTER, INC.**  
**(A FLORIDA NON-PROFIT CORPORATION)**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2013 & DEC 31, 2012**

**ASSETS**

	<u>12/31/2013</u>	<u>12/31/2012</u>
<b>CURRENT ASSETS</b>		
CASH - BAY CITIES BANK	\$ 43,046	\$ (4,105)
CASH - FIRST CITRUS BANK	\$ (329)	\$ 446
PETTY CASH	\$ 725	\$ 725
RESTRICTED FUNDS	\$ 2,256	\$ 3,200
ACCOUNTS RECEIVABLE - VENDINI	\$ 384	\$ -
PREPAID EXPENSES	\$ 450	\$ 861
DEFERRED EXPENSES	\$ 10,000	\$ -
<b>TOTAL CURRENT ASSETS</b>	<u>\$ 56,533</u>	<u>\$ 1,127</u>
<b>FIXED ASSETS</b>		
PIANO	\$ 80,349	\$ 80,349
SOUND & LIGHT SYSTEM	\$ 52,597	\$ 52,597
COMPUTER EQUIPMENT	\$ 6,175	\$ 6,175
MACH & EQUIPMENT	\$ 3,677	\$ 3,677
SIGNS	\$ 1,557	\$ 1,557
LEASEHOLD IMPROVEMENTS	\$ 25,926	\$ 25,926
LESS: ACCUMULATED DEPRECIATION	\$ (120,333)	\$ (96,645)
<b>TOTAL FIXED ASSETS</b>	<u>\$ 49,948</u>	<u>\$ 73,636</u>
<b>TOTAL ASSETS</b>	<u>\$ 106,480</u>	<u>\$ 74,763</u>

**LIABILITIES & EQUITY**

<b>CURRENT LIABILITIES</b>		
ACCOUNTS PAYABLE	\$ 27,670	\$ 25,645
ACCRUED PAYROLL	\$ 14,245	\$ 14,225
DEFERRED SPONSORSHIP	\$ 6,000	\$ -
DEFERRED INCOME - BOCC ADVANCE	\$ 91,487	\$ -
LINE OF CREDIT	\$ -	\$ 10,000
<b>TOTAL CURRENT LIABILITIES</b>	<u>\$ 139,402</u>	<u>\$ 49,870</u>
<b>LONG TERM LIABILITIES</b>		
LOAN PAYABLE	\$ -	\$ 4,908
<b>TOTAL LONG TERM LIABILITIES</b>	<u>\$ -</u>	<u>\$ 4,908</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 139,402</u>	<u>\$ 54,778</u>
<b>NET ASSETS</b>		
UNRESTRICTED		
BEGINNING SURPLUS	\$ 16,785	\$ 87,368
CURRENT SURPLUS/(DEFICIT)	\$ (51,963)	\$ (70,583)
<b>TOTAL UNRESTRICTED</b>	<u>\$ (35,178)</u>	<u>\$ 16,785</u>
TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 2,256</u>	<u>\$ 3,200</u>
<b>TOTAL NET ASSETS</b>	<u>\$ (32,922)</u>	<u>\$ 19,985</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u>\$ 106,480</u>	<u>\$ 74,763</u>

**FRIENDS OF CARROLLWOOD CULTURAL CENTER, INC.**  
**(A FLORIDA NON-PROFIT CORPORATION)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DEC 31, 2013**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES</b>			
Membership Dues	\$ 37,913	\$ -	\$ 37,913
Friends Donation	\$ 18,144	\$ -	\$ 18,144
Piano Fund	\$ -	\$ 1,400	\$ 1,400
Fine Art Collection	\$ -	\$ 2,545	\$ 2,545
Tuition Assistance	\$ -	\$ 2,164	\$ 2,164
Music Fund	\$ -	\$ 825	\$ 825
Fundraising Events	\$ 530	\$ -	\$ 530
Government Grants-Hillsborough	\$ 362,437	\$ -	\$ 362,437
Program Service Fees	\$ 290,572	\$ -	\$ 290,572
Interest Income	\$ 19	\$ -	\$ 19
Misc. Revenue	\$ 24,094	\$ -	\$ 24,094
Net Assets Released From Restricted	\$ 7,877	\$ (7,877)	\$ -
<b>TOTAL REVENUES</b>	<b>\$ 741,586</b>	<b>\$ (944)</b>	<b>\$ 740,643</b>
<b>EXPENSES</b>			
Program Services	\$ 553,380	\$ -	\$ 553,380
Support Services	\$ -	\$ -	\$ -
Management & General Expenses	\$ 190,762	\$ -	\$ 190,762
Fund - raising	\$ 49,407	\$ -	\$ 49,407
<b>TOTAL EXPENSES</b>	<b>\$ 793,550</b>	<b>\$ -</b>	<b>\$ 793,550</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ (51,963)</b>	<b>\$ (944)</b>	<b>\$ (52,907)</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>\$ 16,785</b>	<b>\$ 3,200</b>	<b>\$ 19,985</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ (35,178)</b>	<b>\$ 2,256</b>	<b>\$ (32,922)</b>

**FRIENDS OF CARROLLWOOD CULTURAL CENTER, INC.**  
**(A FLORIDA NON-PROFIT CORPORATION)**  
**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DEC 31, 2013**

	Program Services	Support Services		Total
		Management and General	Fund - raising	
Compensations and Related Expenses				
Employee Compensations	\$ 245,816	\$ 93,824	\$ 35,653	\$ 375,292
Employee Benefits	\$ 28,292	\$ 10,799	\$ 4,103	\$ 43,195
Total Compensation and Related Expenses	\$ 274,108	\$ 104,622	\$ 39,756	\$ 418,487
Bank & Credit Fees	\$ 11,520	\$ -	\$ -	\$ 11,520
Computer and Related	\$ -	\$ 3,382	\$ -	\$ 3,382
Custodial Services	\$ 3,709		\$ -	\$ 3,709
Depreciation Expenses	\$ 17,766	\$ 5,922	\$ -	\$ 23,688
Insurance	\$ -	\$ 14,719	\$ -	\$ 14,719
Program Service Expenses	\$ 204,474	\$ -	\$ -	\$ 204,474
Marketing & Advertising	\$ 24,299	\$ 9,345	\$ 3,738	\$ 37,382
Legal & Professional Fees	\$ -	\$ 27,717	\$ -	\$ 27,717
Interest	\$ 1,844	\$ 905	\$ -	\$ 2,749
Meeting & Board Management	\$ -	\$ 795	\$ -	\$ 795
Special Event / Contribution Expenses	\$ -	\$ -	\$ 3,575	\$ 3,575
Licenses, Permits & Dues	\$ -	\$ 1,087	\$ -	\$ 1,087
Telephone	\$ -	\$ 4,579	\$ -	\$ 4,579
Rental Equipment	\$ 9,876	\$ 13,775	\$ 2,338	\$ 25,989
Supplies	\$ -	\$ 2,585	\$ -	\$ 2,585
Repair & Maint.	\$ 2,480	\$ 828	\$ -	\$ 3,308
Misc. & Other Expenses	\$ 3,305	\$ 500	\$ -	\$ 3,805
<b>TOTAL EXPENSES</b>	<b>\$ 553,380</b>	<b>\$ 190,762</b>	<b>\$ 49,407</b>	<b>\$ 793,550</b>

**FRIENDS OF CARROLLWOOD CULTURAL CENTER, INC.**  
**(A FLORIDA NON-PROFIT CORPORATION)**  
**STATEMENTS OF CASH FLOW**  
**FOR THE YEAR ENDED DEC 31, 2013 & DEC 31, 2012**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b><u>12/31/13</u></b>	<b><u>12/31/12</u></b>
CHANGE IN NET ASSETS	\$ (51,963)	\$ (70,583)
DEPRECIATION EXPENSE	\$ 23,688	\$ 25,318
DE(IN)CREASE IN ACCOUNTS RECEIVABLE	\$ (384)	\$ 239
DE(IN)CREASE IN PREPAID EXPENSES	\$ 411	\$ (861)
DEFERRED EXPENSES	\$ (10,000)	\$ -
IN(DE)CREASE IN ACCOUNTS PAYABLE	\$ 99,532	\$ 33,508
IN(DE)CREASE IN TEMPORARILY RESTRICTED NET ASSETS	\$ (944)	\$ 3,200
<b>NET CASH PROVIDED (USED) BY OPERATIONS</b>	<b>\$ 60,340</b>	<b>\$ (9,179)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
FIXED ASSET PURCHASES	\$ -	\$ (1,558)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>\$ -</b>	<b>\$ (1,558)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
IN(DE)CREASE IN DEBT PAYABLE	\$ (14,908)	\$ (6,435)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>\$ (14,908)</b>	<b>\$ (6,435)</b>
<b>NET IN(DE)CREASE IN CASH</b>	<b>\$ 45,432</b>	<b>\$ (17,172)</b>
<b>CASH - BEGINNING</b>	<b>\$ 266</b>	<b>\$ 17,438</b>
<b>CASH - ENDING</b>	<b><u>\$ 45,698</u></b>	<b><u>\$ 266</u></b>

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Summary of Significant Accounting Policies

**a. Company's Organization and Activities**

Friends of Carrollwood Cultural Center, Inc. (FCCC) is a company organized as a Florida non-profit corporation. The company, located in Tampa, FL, began its operations in November 2002 and has been approved as a tax exempt 501c(3) entity with the Internal Revenue Service.

The company's mission is to offer cultural programs, services, and events that encourage individual exploration and promote a sense of community. The FCCC has formed a special partnership with Hillsborough County dedicated to enhancing the quality of life for residents through arts and culture. Together, the county and the FCCC worked to renovate St. Mark's Episcopal Church into the creative center it is today.

**b. Fund Accounting**

The Company uses fund accounting, a method of accounting whereby assets and liabilities are grouped according to the purpose for which they are to be used. This method of accounting reports how money is spent, rather than how much profit is earned. Any excess or shortage of revenues and cash inflows over expenses and cash outflows is reported as a surplus or deficiency.

The Company uses the cash method of accounting which recognizes contributions, both restricted and unrestricted, program service revenues, and interest income when received. Expenses for operations are recorded using the cash method of accounting as expenses are recognized when payment is made, usually within the same or following monthly accounting period.

**c. Contributions, Revenues and Interest Earned**

FCCC receives contributions and donations from individuals, companies and government entities. Additional funds are received for annual memberships, the naming rights program, and sponsorships. Revenues are also generated from room rentals and instruction classes. Interest is earned on investments.

**d. Cash Equivalents**

All checking, money market savings, and certificates of deposit are considered cash equivalents by the Company for the purposes of the balance sheet and statement of cash flows.



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e. Income Taxes

The Company has elected to be a tax exempt entity as provided for by IRS section 501c(3). The IRS has reviewed and approved this election. Accordingly, the company files a Form 990, Return for Organization Exempt from Income Tax on an annual basis.

f. Restricted Funds

FCCC receives both restricted and unrestricted funds. Funds that are received from a third party which are designated for a specific purpose are classified as restricted funds. Restricted fund accounts are maintained for naming rights, piano, and sound and light funds.

g. Long Term Debt

On February 7, 2008, FCCC entered into a long term debt with First Citrus Bank to finance the acquisition of a piano. The original balance was \$80,000 payable over 60 months at an interest rate of 7%. This loan was paid off in 2013.

h. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

i. Concentration of credit risk

Statements of Financial Accounting Standards require management to disclose concentration of credit risk regardless of the degree of risk. The company's operations are providing cultural programs, services, and events that encourage individual exploration and promote a sense of community. The company operations are subject to changes in laws, rules and regulations by local, state or federal government regulatory agencies. The company maintains compliance with all regulations and historically has not incurred any significant credit losses. The company maintains cash balances in two financial institutions. The balances, up to \$250,000 are insured by the FDIC. As of December 31, 2013, the company did not have any uninsured cash.

j. Subsequent Events

The Company has elected to change its fiscal year to end September 30 effective September 30, 2014.